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**PRESS RELEASE**

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**Memphis Man Convicted in Tax Refund Scheme Case**

Memphis, TN - Terrell L. Harris, U.S. Attorney for the Western District of Tennessee, announced today that a federal jury in Memphis found Freddie L. Peters guilty on all 22 counts of an indictment filed against him on January 31, 2002. Peters was charged with 8 counts of aiding and abetting persons in filing false claims against the government and 14 counts of unauthorized disclosure of a social security number.

The charges pertain to a scheme from February 4, 1997 until January 27, 1998, that Peters was involved in where false federal income tax returns were prepared and sent to the Internal Revenue Service (IRS) claiming refunds that the individuals were not entitled to receive. As part of the scheme, Peters purchased social security numbers of children whose mothers were unemployed and then sold the information to persons of African descent to carry as foster children on their income tax returns.

According to the indictment, Peters caused false 1996 tax returns to be prepared in the

names of several individuals that claimed fraudulent refunds ranging from \$2,237.00 to \$4,670.00. Additionally, Peters was charged with causing a 1997 fraudulent tax return to be prepared and submitted to the IRS. He was also found guilty of multiple counts of disclosing social security numbers of others pertaining to the filing of these false returns in order to inflate the refund amounts.

Peters is scheduled to be sentenced on November 15, 2002 by U.S. District Judge Julia S. Gibbons. He faces a maximum sentence of 5 years in prison per count and fines up to \$250,000 per count.

This investigation was conducted by agents with IRS-Criminal Investigation and Social Security Administration-Office of Inspector General. Assistant U.S. Attorney Linda Nettles Harris prosecuted the case for the government.

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